Breaking the Cycle
THE FIRST YEAR

Ontario's Poverty Reduction Strategy
2009 Annual Report

Ontario

Ontario.ca/growingstronger

Minister's Message

Just one year ago, Ontario's Poverty Reduction Strategy was introduced when our government re-committed to a pathway that will Break the Cycle of poverty in Ontario. It's a plan that sets real targets for reducing poverty so that everyone – especially children – has the opportunity to achieve their full potential.

The development of this plan was made possible because of the feedback received and the contribution made by Ontarians dedicated to the fight against poverty. Today, I feel very privileged to carry forward the vision set out by my colleague, the Honourable Deb Matthews, as we continue to tackle the very real issue of poverty in communities across Ontario.

Already, significant changes have put more money in the hands of those who most urgently need our help – to further their education, to find jobs, to nurture their children and families in safe and affordable housing, and to contribute to our communities and our economic future. Innovative programs and services are being introduced to ensure that our children get the best possible start in life, that parents have the tools they need to become actively engaged in their children's education, and that all children and youth are supported in achieving their highest possible potential, in school and in life.

What is also clear is that there are countless individuals and organizations across Ontario whose hard work and commitment make an important difference every day. They recognize, as we do, that poverty reduction involves all of us. It requires the committed partnership of federal, provincial, regional and municipal governments. It requires our communities and community-based organizations to come together with renewed focus on this important issue. And it requires individual Ontarians to play a role, whether large or small.

During this time of economic challenge, the need for committed partnership and cooperation is even greater. Although we have seen significant labour market restructuring in the past year, and know that continued economic challenges lie ahead in 2010, we can and will make a difference together, when everyone plays a role.

We can take pride in what has been accomplished during this first year of the Poverty Reduction Strategy, and I am confident that we are well on our way to realizing the goal of lifting 90,000 children out of poverty within five years. Much hard work lies before us, and these are early steps, but they are promising steps.

I want to congratulate Premier McGuinty and Minister Matthews for championing poverty reduction in Ontario, and I extend my thanks to all who have been a part of a vision that will improve opportunity for all. In our second year, I look forward to an exciting journey of change, and of promise for future generations.

The Honourable Laurel Broten
Minister of Children and Youth Services

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1. INTRODUCTION

ONTARIO'S POVERTY REDUCTION STRATEGY

Breaking the cycle of poverty matters to every Ontarian. That's why we announced a long-term poverty reduction plan in 2008 that focuses first on giving children and families the support and tools they need to succeed. This bold new direction for Ontario is based on our vision of a province where all children have opportunities to succeed in life, and in which Ontarians facing challenges have greater opportunities to reach their potential as contributors to our society and our shared economic future.

Vision

Ontario's Poverty Reduction Strategy is guided by the vision of a province where every person has the opportunity to achieve his or her full potential, and contribute to and participate in a prosperous and healthy Ontario.

The First Year

In presenting the first Annual Report on Ontario's Poverty Reduction Strategy, we acknowledge and thank the many poverty experts, organizations, communities, and people living in poverty across the province who have contributed to, and continue to support, this critically important initiative that requires the commitment of all governments, all communities and all Ontarians.

During the first year, action was swift and purposeful. The achievements described in this report have contributed to our progress, and although we have in this short time moved forward in many areas, we remain aware of the challenges ahead. Achieving our goals will require the partnership of the federal government and a strengthened economy.

The global economic recession and financial crisis have had a serious impact on Ontario. There has been a steep rise in the number of unemployed Ontarians, increasing the province's unemployment rate from 6.5 per cent in 2008 to over nine per cent in 2009. We have enjoyed reduced poverty rates in recent years, but today's economic weakness will affect incomes and possibly push more people into poverty in the short term. One response might be to give up on our poverty reduction effort in light of the global recession. This is not our response: in our view the Ontario Poverty Reduction Strategy is all the more critical today to help support low-income families during these challenging times.

Ontario's strategy for poverty reduction is a long-term plan, and a realistic one. We are well aware that the economic downturn of 2008-09 in Ontario and around the world presents serious challenges to moving our key poverty indicators forward. The Ontario economy remains vulnerable to a number of risks, including: weaker U.S. economic growth, a stronger Canadian dollar, higher oil prices and rising interest rates. We will also face new fiscal constraints, which our government is determined to address. Despite these challenges, we remain committed to making progress toward Ontario's vision for poverty reduction.

This annual report provides an important marker of our progress to date, and highlights many of the new initiatives that will contribute to the success of Ontario's Poverty Reduction Strategy as it enters its second year.

Learn more

Learn more about Ontario's Poverty Reduction Strategy at:

Ontario.ca/growingstronger

The Target: 25 in 5

For the first time in Ontario's history, the Poverty Reduction Strategy identifies clear goals for poverty reduction in the province. It focuses first on Ontario's children and youth, with the target of reducing the number of children living in poverty by 25 per cent over five years. Reaching that target, and lifting some 90,000 children out of poverty, also means taking important steps during these first five years to help low-income families build brighter futures for themselves and their children.

Laying the Foundation

The cycle of poverty will be broken only through a long-term commitment that builds on our successes over time. In 2009, this commitment was brought into law, through the introduction and passage of the Poverty Reduction Act. This new legislation requires the government to conduct regular consultations on the Poverty Reduction Strategy, to measure the success of the strategy at least every five years, and to report annually on its progress. Most important, it makes poverty reduction a priority in Ontario for generations to come.

Measuring our Progress

Measuring progress and communicating our results to Ontarians is a critically important part of our mission. The year 2008 will be the baseline from which we will measure progress on all of the poverty reduction indicators. Data for the income-based indicators, from Statistics Canada, may lag by as much as 18 to 24 months. In this first annual report, and the report for year two, we will be providing the latest information we have available as well as describing identifiable trends. When our baseline data are complete, likely in 2010, we will be in a position to more accurately report on our progress toward reaching the 25 in 5 target, as well as our progress on the eight indicators described further in this report.

Poverty Reduction Milestones

2007

- The Ontario Child Benefit (OCB) is introduced and a one-time OCB 'down payment' of up to $250 per child is delivered to families in July
- Premier McGuinty makes a commitment to introduce poverty reduction targets
- The Cabinet Committee on Poverty Reduction is established

2008

- Public consultations are held on poverty reduction
- Increased support is provided for low-income families with OCB payments flowed monthly, with the benefit reaching up to $600 per child annually
- The Student Nutrition Program is expanded
- Ontario's Poverty Reduction Strategy is launched

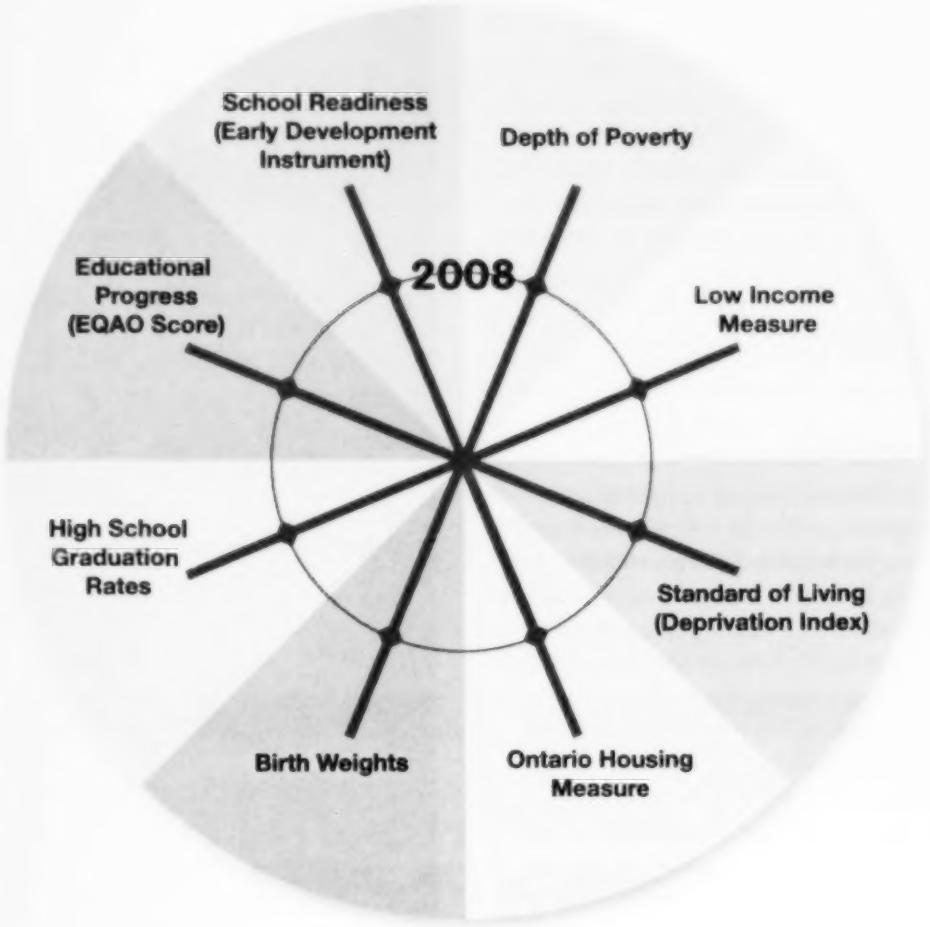
2009

- The Poverty Reduction Act, 2009 is passed
- Ontario Budget 2009 announcements include:
  - The acceleration of the Ontario Child Benefit phase-in schedule by two full years to a maximum of $1,100 annually per child
  - Increases to Ontario Works and the Ontario Disability Support Program rates
  - A more than $600 million provincial investment in social and affordable housing
  - Rent Bank funding is stabilized at more than $5 million annually
  - Minimum wage to rise to $10.25 by 2010
  - A harmonized sales tax is proposed, including significant support for Ontarians, particularly those with low incomes
- Summer jobs created through the Youth Opportunities Strategy are more than doubled
- The Children In Need Of Treatment (CINOT) dental program for low income children is expanded to include children up to age 17. In addition, general anaesthesia was added for children aged five through 17.
- Long-Term Affordable Housing Strategy consultations are launched
- Investments in after-school programs rolled out across Ontario, benefiting more than 15,500 children and youth
- Implementation of full-day learning for four- and five-year olds is announced, with up to 35,000 students to be enrolled in 2010

The Child and Youth Opportunity Wheel

In future years, the Child and Youth Opportunity Wheel will provide a visual summary of improvements in each of the eight indicators over time, and will be updated with each annual report as data becomes available for our 2008 baseline year.

Child and Youth Opportunity Wheel



Poverty Reduction Strategy 2009 Highlights

This past year has been all about putting in place the structural changes that will enable us to break the cycle of poverty over the long term. Below are three key foundational initiatives we are moving forward on.

Accelerating the Ontario Child Benefit

The Ontario Child Benefit (OCB) gives low-income families the financial support they need to provide essentials like food and shelter for their children. It also helps build a stronger economy by making it easier for parents to leave social assistance for work.

The government has accelerated the phase-in of the OCB by two years, giving low-income families up to $1,100 annually per child as of July 2009. That's almost double the previous maximum benefit.

The 2009 Budget also confirmed the Poverty Reduction Strategy commitment from 2008 to increase the OCB up to a maximum of $1,310 annually per child within five years.

An equivalent to the OCB is providing children and youth in the care of children's aid societies with access to more educational, recreational, cultural and social opportunities, such as tutoring or music lessons, and a savings program for older youth in care.

Moving Forward with Full-Day Learning for Four- and Five-year-olds

There may be no better poverty reduction strategy than a strong, publicly funded education system. The government has announced that it will start phasing in full-day learning for four- and five-year-olds next fall as part of its ongoing plan to strengthen education that began with smaller class sizes, higher test scores, and improved graduation rates.

Up to 35,000 kindergarten students across Ontario will be enrolled in full-day learning in September, 2010. The goal is to have the program for four- and five-year-olds fully implemented in all schools by 2015-16.

Parents may also enroll their children for extended hours, for a reasonable fee, before and after regular school hours. This will make it easier for parents to get to and from work and will ensure their children have an integrated learning program for the whole day. Subsidies will be available for some families, based on financial need, to help with the cost of extended day programming before and after school hours.

Full-day learning for four- and five-year olds offers children an enriched learning environment designed to help them develop the foundational social, emotional, academic and physical skills necessary to succeed in school and in life. It's also about building the skills and education of Ontario's workforce, and creating a stronger economy.

Tax Fairness for Low-Income Families

The tax reform proposed in the 2009 Budget, which includes the transition to a Harmonized Sales Tax (HST) on July 1, 2010, is the single most important thing the government can do to make the province a more attractive place for businesses to invest, meaning more jobs and prosperity for families.

But the HST is only one piece of a comprehensive package of tax reforms that also means Ontarians with modest

Making a Difference

"My oldest son is obsessed with basketball...the [Ontario Child] Benefit is paying for some of his summer basketball camp. It helps afford some of the stuff I couldn't get before. The extra money as a single mom of three kids makes you feel like you're a better mom –a better parent – because I can provide that bit more for my kids."

Marcia,
Mother of three,
London

incomes would pay the lowest provincial income tax rate in Canada. The package includes:

- a permanent cut to Ontario's lowest personal income tax bracket rate from 6.05 per cent to 5.05 per cent – that's a decrease of 17 per cent.
- an increase in the amount of ongoing property and sales tax relief, for individuals and families with low to middle incomes, of more than $1 billion a year through:
  - a new sales tax credit of up to $260 per adult and child per year for approximately 2.9 million low- to- middle-income individuals and families
  - an additional $270 million in annual property tax relief for low- to middle- income homeowners and tenants.

Tax fairness for low-income Ontarians is all about creating the conditions for financial security over the long term.

For example, as shown in the charts below, a single mother with two children receiving Ontario Works benefits of $11,532, paying $620 in monthly rent, with no day care costs, would have an estimated net saving of $555 in year three of implementation of the proposed tax changes. A single individual earning $30,000 a year, and paying rent of $600 a month would save an estimated $220 in year three. (Note: Ministry of Finance estimates. The impact on individual households may vary depending on factors such as spending patterns, level of savings, and tax credits and deductions claimed.)

In their own words

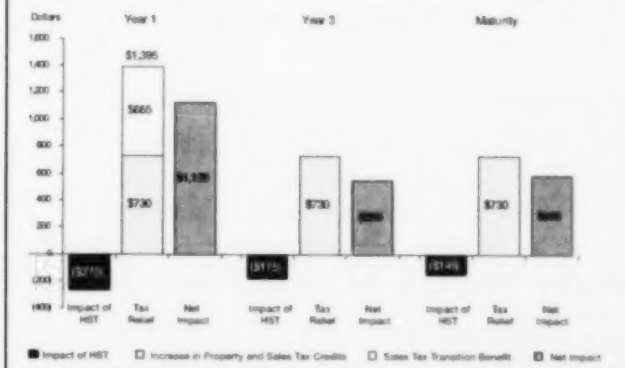
"Daily Bread commends the government on its handling of the economic impact that harmonization of the GST and PST will have on low-income families. The real sleeper issue of this budget from the perspective of people in poverty may be the Sales Tax Credit. Daily Bread is highly supportive of the progressive use of tax credits to support low-income families as opposed to paying benefits through the current welfare system, which is stigmatizing. The new credit may be a foundation to build on in the future, similar to what child benefits and old age security have done for the economic security of children and seniors respectively."

Gail Nyberg, Executive Director
Daily Bread Food Bank

Did you know?

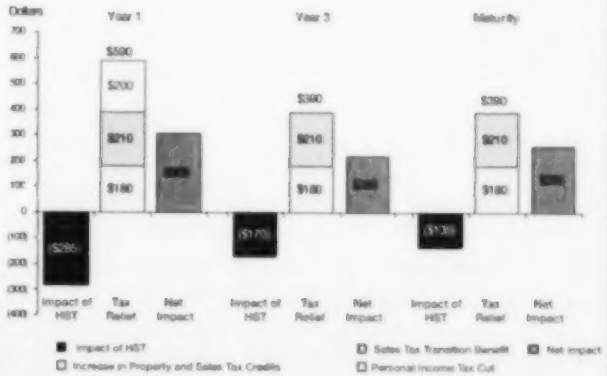
After the 2009 social assistance rate increase and the OCB acceleration, a single parent on Ontario Works with two children aged five and seven now has an annualized income of $22,730 – $1,110 higher than in 2008. This is an increase of $5,670, or 33 per cent, from the family's 2003 annualized income of $17,060.

Single Parent on Ontario Works, 2 Children (Ages 5&7)

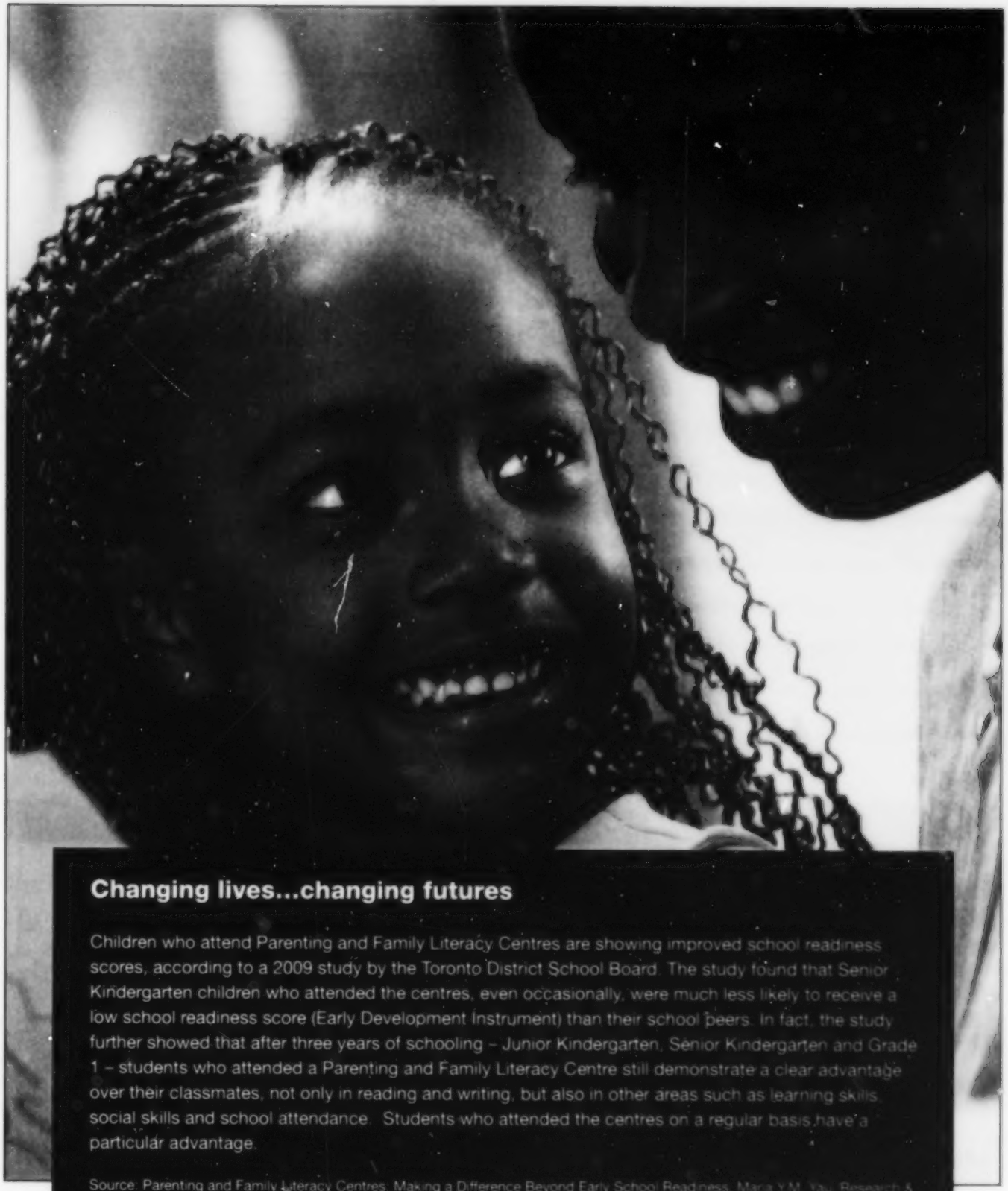


Note: Single parent with $11,532 in annual Ontario Works benefits, paying $620 in monthly rent, with no day-care costs.
Source: Ontario Ministry of Finance, November 12, 2009.

Single Individual, $30,000



Note: Individual with $600 in monthly rent. Source: Ontario Ministry of Finance, November 12, 2009.



Changing lives...changing futures

Children who attend Parenting and Family Literacy Centres are showing improved school readiness scores, according to a 2009 study by the Toronto District School Board. The study found that Senior Kindergarten children who attended the centres, even occasionally, were much less likely to receive a low school readiness score (Early Development Instrument) than their school peers. In fact, the study further showed that after three years of schooling – Junior Kindergarten, Senior Kindergarten and Grade 1 – students who attended a Parenting and Family Literacy Centre still demonstrate a clear advantage over their classmates, not only in reading and writing, but also in other areas such as learning skills, social skills and school attendance. Students who attended the centres on a regular basis have a particular advantage.

Source: Parenting and Family Literacy Centres: Making a Difference Beyond Early School Readiness, Maria Y.M. Yau, Research & Information Services, Toronto District School Board (August 2009)

2. THE FIRST YEAR

ACHIEVEMENTS AND SUCCESS INDICATORS

Bold steps have been taken during 2009 to support the vision and goals of the Poverty Reduction Strategy, including passage of the Poverty Reduction Act, landmark legislation that establishes poverty reduction as a permanent provincial commitment. During this first year, our approach has been strategic and our efforts have been directed to two primary goals: supporting children and youth, with a particular focus on providing quality educational experiences, and helping low-income families as they further their education and employment opportunities and move toward breaking the cycle of poverty for themselves and their children.

Stronger, Healthier Kids and Families

What have we done so far?

Parenting and Family Literacy Centres

The number of Parenting and Family Literacy Centres is being expanded in high-needs communities across the province. Parents/caregivers and children, from birth to six years of age, visit these centres together and participate in play-based learning activities that give children a head start on learning and development, including early math and language skills. In June 2009, we announced the opening of 21 new centres, bringing the total to 144 centres in 15 school boards across Ontario, another step toward our goal of 300.

Student Nutrition Program

An added investment of $32 million over three years will expand the Student Nutrition Program, which helps children and youth, particularly those in high-needs neighbourhoods,

Measuring Our Progress

Indicator 1: School Readiness

Children have a better chance to succeed as students when they come to school ready to learn. They need to be healthy. They need social and emotional competencies. They need language, thinking and communications skills, and the general knowledge to participate in, and benefit from, their educational experiences.

The Early Development Instrument (EDI) is a population-based measure of children's readiness to learn at school implemented for children from across the province. Administered in Senior Kindergarten, it measures children's readiness to learn at school in five domains: physical health and well being, social competence, emotional maturity, language and cognitive development, and general knowledge and communication skills.

In 2007-09, 71.5 per cent of children showed no vulnerabilities in any of the five key areas of readiness to learn at school.

get a healthy breakfast or snack so they are ready to learn in school. As of June 30, 2009, the total number of children and youth served in the 2008-09 school year was over 500,000. As a result of this funding increase, approximately 100,000 more students were served through the Student Nutrition Program in 2008-09 than in 2007-08.

Making a Difference

"I can see the students have more energy when they eat breakfast. They can focus and they can concentrate. We feed their stomachs but we also look after their hearts and minds too."

Jessica,
George Harvey Collegiate

In their own words

"Ontario's After-School Initiative is definitely a step in the right direction. By supporting structured after-school activities in high-needs communities, the Ontario government is making an important move toward giving youth opportunities to have a better future."

Alvin Curling,
Co-author of the Review of the Roots of Youth Violence Report

After School Initiative

The $10 million annual investment in the After-School Initiative provides opportunities for children and youth from low-income families across the province to participate in after-school programs that foster healthy active living including:

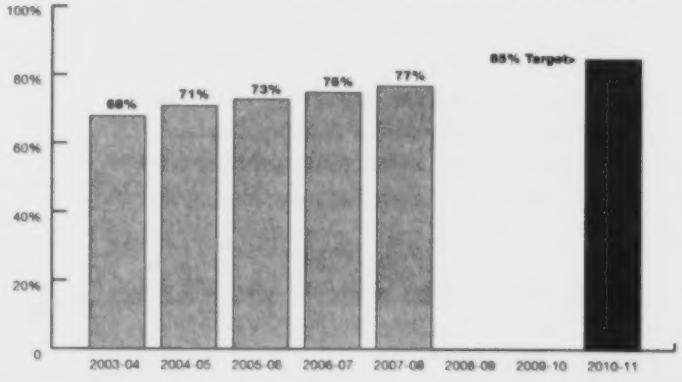
- more opportunities to be physically active
- more opportunities to learn about healthy eating and healthy living, which helps to prevent obesity and chronic disease
- more opportunities to develop positive self-esteem, confidence and resiliency.

Measuring Our Progress

Indicator 2: High School Graduation Rates

In our knowledge- and skills-based economy, graduating from high school is more important than ever before. Young people with a secondary school graduation diploma have improved chances for a better job and more earning power throughout their lives.

This indicator represents the percentage of high school students who successfully completed all the requirements to earn an Ontario secondary school diploma. Ontario's graduation rate measures the percentage of students who graduated within five years after starting Grade 9.



Measuring Our Progress

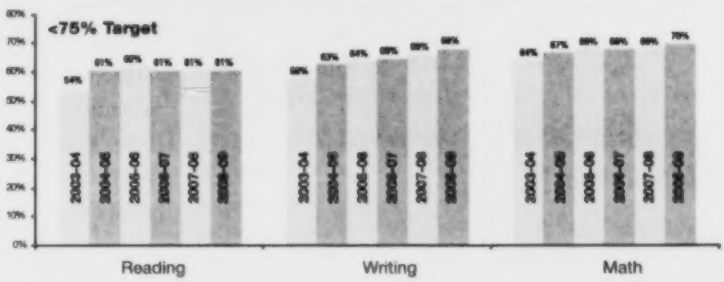
Indicator 3: Educational Progress

Province-wide assessment is one important measure of children's progress in literacy and numeracy, and enables us to pinpoint areas for improvement. The measure provides critically important information on planning for student achievement.

The Education Quality and Accountability Office (EQAO) score is based on a provincial assessment of student achievement against curriculum expectations. The indicator reflects scores on the Grade 3 and 6 reading, writing and math assessments.

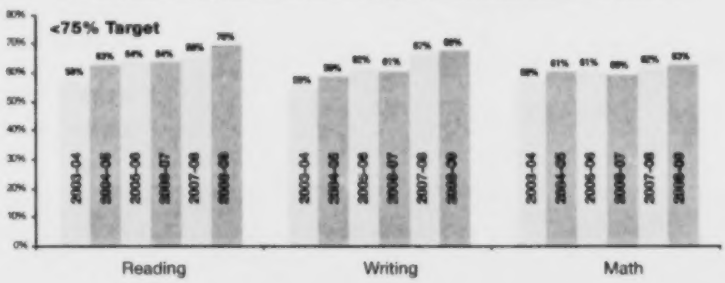
For the 2008-09 assessment year, 61 per cent of the Grade 3 students in reading, 68 per cent in writing and 70 per cent in math were at or above the provincial standard on EQAO Assessments.

EQAO 3 Reading, Writing and Math (English and French-Language Schools)



For the 2008-09 assessment year, 70 per cent of the Grade 6 students in reading, 68 per cent in writing and 63 per cent in math were at or above the provincial standard on EQAO Assessments.

EQAO 6 Reading, Writing and Math (English and French-Language Schools)



Ontario's After-School Initiative is benefiting more than 15,500 children and youth in grades one to 12, at more than 277 sites across the province. This provides 10,700 new spaces for children and youth receiving new after-school services. Of these, 4,800 are children and youth receiving additional/expanded after-school services. Almost 60 per cent of sites are located in schools, while others are in community housing, health access centres and recreation centres.

In the next year, approximately $500,000 in funding will be available for on-reserve after-school programs to First Nations children and youth.

Low-Income Dental Care

Ontario's Low-Income Dental Program will begin delivering prevention and treatment services to children from low-income families in 2010. An announcement will be made in early 2010 laying out the details of this program, which has been delayed by recent unexpected pressure on local health agencies. In addition, the Children In Need Of Treatment (CINOT) program, which provides urgent dental care to children in low-income families, was expanded in January 2009 to include children up to the age of 17 and general anaesthesia services for children aged five to 17 years.

Measuring Our Progress

Indicator 4: Birth Weights

Healthy children have more opportunity to succeed in virtually every aspect of life – and throughout their lives – from early childhood to adulthood. The health of newborns is an important indicator of our success in ensuring that all children have a healthy head start in life. This indicator measures the percentage of newborns born at a healthy weight for their gestational age.

Eighty per cent of Ontario-born babies were born at a healthy weight from 2007 to 2009.

The first stage of the low-income dental program will include Public Health Units working with community partners to develop local dental infrastructure to enable communities to provide access to program services. Potential partners include, but are not limited to, Community Health Centres, Aboriginal Health Access Centres, community dentistry and dental schools at universities.

Parents Reaching Out Grants

Parents Reaching Out grants support school-based, and regional and provincial initiatives to reach parents who face barriers to becoming involved in their child's education. A portion of this funding is being re-focused for the 2009-10 school year to help parents in high-needs areas participate in their child's education. There was a 163 per cent increase in the number of applications received for 2009-10 due to increased outreach efforts: 84 Priority Schools applied for a school council Parents Reaching Out grant compared with 32 of these schools last year.

Youth Opportunities Strategy

The Youth Opportunities Strategy is being expanded to give youth facing challenges improved access to jobs and skills training programs. In summer 2009, the Youth Opportunities Strategy doubled the number of jobs available through the program with some support from the federal government – bringing the total to approximately 4,000 across the province. This past summer, youth held jobs with a variety of employers – some worked in mechanics shops, radio stations and libraries, while others worked in retail stores, spas and with local police services across the province.

Making a Difference

"I gave the mechanic shop a call, came in, loved it. So with the [Summer Jobs or Youth] program, and how it paid for my placement I think that encouraged me ... to actually see what the real world is like."

Bobbie-Lynn, Summer Jobs for Youth participant

What is next on our agenda?

Mental Health and Addictions Strategy

The province's Mental Health and Addictions Strategy, scheduled for release in 2010, will make recommendations to improve health and social outcomes for people with mental illness, substance use issues, and gambling problems.

Changing lives...changing futures

Parents in high-needs communities may need support to take an active role in their children's education. Today, parents and their children can attend Parenting and Family Literacy Centres across Ontario so that children are better prepared for school entry, and parents are prepared to be engaged in their children's learning, and in their school communities. In addition, Parents Reaching Out grants continue to fund school-based and regional/provincial projects that reach out to parents who face barriers to involvement in their child's education or school.

Learning Opportunities Grant

The Learning Opportunities Grant is used by school boards to support programs such as remedial reading, breakfast and lunch programs, tutors, mentoring, summer school, literacy and numeracy programs and homework clubs. The Ministry of Education is exploring how best to align this funding with the number of students in high needs areas.

Activity Fees

The Ministry of Education is working with school boards, parents and students to determine how best to support students participating in school activities regardless of their parents' financial situation. The ministry plans to release new guidelines to inform school board fee policies in 2010.

Crown Wards Success Strategy

We remain committed to further enhancing our Crown Wards Success Strategy with the goal of improving educational outcomes for Crown wards and smoothing their transition to adulthood. The Ministry of Children and Youth Services continues to explore policy options in this area. The government remains committed to the additional $19 million investment over the life of the Poverty Reduction Strategy. The number of Crown Wards Education Championship Teams has been expanded from four to 14 since the introduction of the Poverty Reduction Strategy.

Stronger, Healthier Communities

What have we done so far?

Community Use of Schools

The Community Use of Schools Initiative helps students, parents, seniors and other members of the community to be more active in a safe and healthy environment. Funding is provided to all school boards to make school space more affordable for use after hours, and to hire Outreach Coordinators who work with schools and community groups and eliminate barriers to the community use of schools. In 2009-10, as part of the Community Use of Schools Initiative, the government provided funding to allow free after-hours access to school space for not-for-profit groups located in communities that need it most. There are 150 of these 'Priority Schools' within 27 school boards across Ontario. In 2009-10, the government is investing $38.5 million in the Community Use of Schools program.

What is next on our agenda?

Community Opportunities Fund

The government has initiated discussions with interested parties who have expertise in supporting local poverty reduction initiatives and is looking closely at approaches that foster innovative community collaboration to effect change.

Community Hubs

The government is creating an action plan to support community hubs across Ontario. As a first step, the Ministry of Education has a draft Facility Partnerships Policy, which will encourage school boards to work with their community partners to optimize the use of public assets owned by school boards. The policy focuses on opportunities to share facilities with community partners when building new schools, undertaking significant renovations and considering the use of unoccupied space in schools.

Opportunity for All

What have we done so far?

Minimum Wage Increase

The minimum wage increased in 2009 to $9.50 per hour from $8.75 per hour. It will increase to $10.25 per hour in 2010, an increase of almost 50 per cent since 2003. It is currently the highest of any province in Canada.

Employment Standards Compliance

In the 2009 Budget, the government invested an additional $4.5 million annually to increase the number of employment standards officers in the province. This initiative will help reduce the backlog of employment standards claims, and improve the protection of Ontario employees through more proactive enforcement.

Temporary Help Agency Employment

The Employment Standards Act, 2000 was amended in 2009 to ensure that temporary help agency employees, many of whom are low-income workers, are treated fairly and have better opportunities to move to sustainable employment.

Did you know?

In June 2009, the Ontario government signed an affordable housing agreement with the federal government to deliver new affordable housing to Ontarians. Through this agreement, the government is investing more than $600 million to match the funding announced in the federal government's 2009 budget, for a combined $1.2 billion housing investment. This initiative will rehabilitate 50,000 social housing units and build 4,500 new affordable housing units, while creating 23,000 jobs in construction and rehabilitation over the course of this program.

Second Career Program

Ontario's Second Career Program exceeded its three-year goal of helping 20,000 laid-off workers after only 16 months. Second Career is a retraining program for workers laid off since 2005, with a grant of up to $28,000 to help pay for tuition fees, books and living expenses. Ontario's Second Career and other training programs are expected to help an additional 8,000 laid-off workers retrain for new careers in high-demand occupations by spring 2010.

Measuring Our Progress

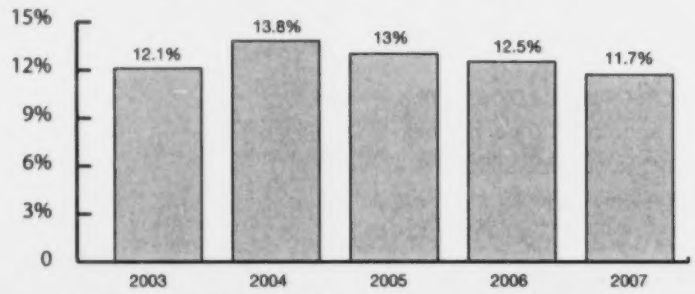
Indicator 5: Low Income Measure

The Poverty Reduction Strategy uses Statistics Canada's Low Income Measure (LIM) to assess progress in reducing child poverty. The LIM will be fixed to a baseline of 2008 and adjusted for inflation in future years. Data for the 2008 baseline is scheduled to be released in 2010. The immediate goal of the poverty strategy is to reduce the number of children living in poverty by 25 per cent in five years.

This measure is defined as the percentage of children under 18 living in a family with an income less than 50 per cent of the median adjusted family income in 2008, also known as LIM50. LIM50 for one adult with one child, for example, is $22,435. After increasing in the early part of this decade, poverty rates have been decreasing in recent years. The percentage of children in families under the LIM decreased from 13.0 per cent in 2005 to 11.7 per cent in 2007. Strong real income growth among families in the bottom 20 per cent of the income distribution helped these poverty rates to decline.

The average incomes of these families increased by 12 per cent, in real terms, from 2005 to 2007. About two-thirds of the improvement (66 per cent) came from earnings. The Ontario government's minimum wage increases in 2007 are reflected in the earnings. The rest of the improvement (34 per cent) was due to increases in government transfers. The introduction of the Ontario Child Benefit is an example of such an increase. Federal government programs such as the National Child Benefit and the Working Income Tax Benefit are also considered part of the increase in government transfers, which highlights the important role the federal government has as a partner in reducing poverty.

Per cent of Children under the LIM



Source: Statistics Canada, Survey of Labour and Income Dynamics

Changing lives...changing futures

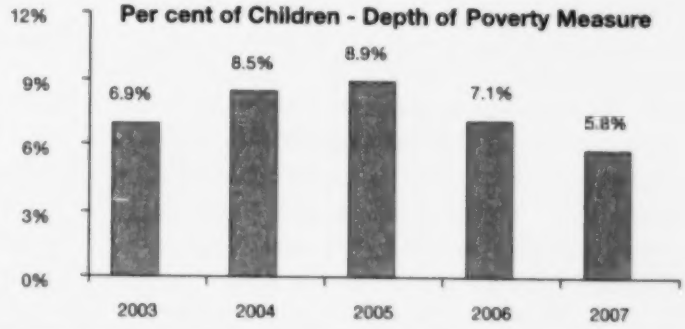
Many low-income Ontarians working for temporary help agencies have not enjoyed all of the same work standards as other employees, and have faced barriers to finding permanent jobs. Amendments to Ontario's employment standards now mean these individuals have the same public holiday rights as other Ontarians. The government also intends to make a regulation providing them with notice of termination and severance pay rights. In addition, recently passed legislation means that they will not be unfairly prevented from accepting jobs when employers want to hire them from agencies. Steps have also been taken to ensure these employees have improved access to help when their employers do not follow Ontario's employment standards.

Measuring Our Progress

Indicator 6: Depth of Poverty

Families living in deep poverty are disadvantaged across many dimensions of life, and face severe challenges in building brighter futures for their children and breaking the cycle of poverty. This indicator tells us how Ontario's Poverty Reduction Strategy is improving the well-being of those who are most disadvantaged in our society.

Low Income Measure (40 per cent): The percentage of children under 18 living in a family with an income less than 40 per cent of the median adjusted family income in 2008. LIM 40 for one adult with one child, for example, is $17,948.



Affordable Housing Program

Together with the federal government, the province has dedicated more than $360 million to the creation of affordable housing units for low-income seniors and persons with disabilities. The Ontario and federal governments have also committed $175 million over the next two years to extend the Canada-Ontario Affordable Housing Program, which is creating new homes for low-income families, senior citizens, persons living with mental illness and victims of domestic violence. This initiative will help to lift low-income families out of poverty by reducing the costs of housing and freeing up income to pay for other family needs.

Provincial Rent Bank Program

As part of the Poverty Reduction Strategy, the government committed to provide annual funding of more than $5 million for the Provincial Rent Bank Program. This funding was announced in our 2009 Budget. This program helps tenants who are at risk of eviction avoid homelessness by providing short-term financial support. Since its inception, the program has helped more than 21,500 families stay in their homes.

What is next on our agenda?

Long-Term Affordable Housing Strategy

The government is developing a new, Long-Term Affordable Housing Strategy to make it easier for Ontario families to find and maintain affordable housing. Consultations conducted across the province will guide the development of the strategy, which will provide a framework for affordable housing in Ontario over the next 10 years. We expect the strategy to be completed in 2010.

In their own words

"The Ontario Rent Bank Program has been one of the most successful tools in helping families avoid eviction. With the current rate of market rent in the province and the recent economic downturn, many low income families may face difficulties in providing for the basic necessities, such as rent, utilities or food to put on the table – and that can put their housing at risk."

Perry Rowe,
Chair of the Alliance to End Homeless,
Ottawa

Measuring Our Progress

Indicator 7: Standard of Living

Fighting poverty means looking beyond income and examining the realities of life for our most disadvantaged families and children. The Ontario Deprivation Index is a new measure that tells us how the Poverty Reduction Strategy is ensuring more families can afford a standard of living that many Ontarians take for granted.

The Ontario Deprivation Index determines the number and percentage of Ontario families and children with access to an acceptable standard of living. The measure identifies a family as having a poverty level standard of living if it is not able to afford two or more items out of a list of ten. These items are not a comprehensive list of basic necessities. Rather, they are items we would expect to find in most Ontario homes, but that those who are poor are unlikely to have. The list was developed by Daily Bread Food Bank and the Caledon Institute of Social Policy through surveys and focus groups. For more information, please see "Developing a Deprivation Index: The Research Process ", available at www.dailybread.ca and www.caledoninst.ca.

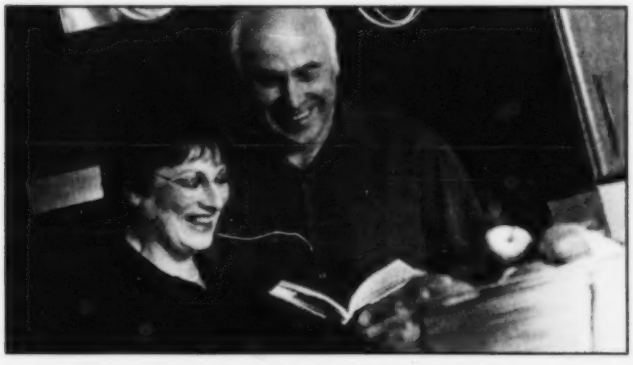
The following list of items is used in the Ontario Deprivation Index.

- Do you eat fresh fruit and vegetables every day?
- Are you able to get dental care if needed?
- Do you eat meat, fish or a vegetarian equivalent at least every other day?
- Are you able to replace or repair broken or damaged appliances such as a vacuum or a toaster?
- Do you have appropriate clothes for job interviews?
- Are you able to get around your community, either by having a car or by taking the bus or an equivalent mode of transportation?
- Are you able to have friends or family over for a meal at least once a month?
- Is your house or apartment free of pests, such as cockroaches?
- Are you able to buy some small gifts for family or friends at least once a year?
- Do you have a hobby or leisure activity?

This new measure puts Ontario at the forefront of measuring poverty and is believed to be the first of its kind in North America. Other countries have developed and reported similar measures of deprivation, including Ireland, the United Kingdom and Australia.

Data has been collected and processed by Statistics Canada with the support of the Ontario government, through the 2009 Labour Force Survey.

For 2009, 12.5 per cent of Ontario children were lacking two or more items. The first release was based on a survey conducted in March and April of 2009. For future years, data for the Deprivation Index will be collected through Statistics Canada's Survey of Labour and Income Dynamics. As with the income indicators, data will be available with an 18 to 24 month lag.



Smarter Government

What have we done so far?

Social Assistance Rule Changes

To help break the cycle of intergenerational poverty, we have made three changes to social assistance rules which became effective in spring 2009.

1. Earnings Rule Change

We have exempted as income the earnings of social assistance recipients attending full-time post-secondary education. This means people on social assistance who are in college or university can also work and save money for school without affecting their social assistance or that of their parents. This will help students on social assistance achieve their educational goals and give them a solid foundation to succeed.

2. Child Care Rule Change

We have improved child care benefits for people on social assistance by extending the Up-Front Child Care Benefit to participants who need it so they can continue to work or pursue employment assistance activities. This will help low-income families to make the transition from social assistance to work.

3. Internal Review Rule Change

We have also extended from 10 days to 30 days the time period for people to ask for an internal review on a decision about their social assistance. Because some people may face barriers – such as language skills or a medical condition – this will help ensure that people have fair access to the review and appeals process.

Social Business Website

Social Innovation Generation at MaRS (SiG@MaRS) has developed an online Social Venture Registry which provides an on-line form for social entrepreneurs to register their organizations and share information about their mission, products, services, and benefits they are generating in the province. Over the coming year, SiG@MaRS will encourage the social venture community to:

- share information through the registry
- encourage collaboration among leading social entrepreneurs and organizations interested in purchasing products and services from social ventures
- invite potential funders and investors to view information about Ontario's emerging social venture asset class of social enterprises and social-purpose businesses.

Changing lives...changing futures

The youth of inner-city communities often need help in accessing positive summer programming. Through the Focus on Youth program, inner-city youth in Toronto, Ottawa, Hamilton and Windsor now have access to learning, leadership and employment opportunities every summer.

What is next on our agenda?

Social Assistance Review

A review of our social assistance system will be undertaken with the goal of removing barriers and increasing opportunity for those who require this assistance. In particular, the review will focus on people making the transition from social assistance to employment. The review will seek to better align social assistance with other supports that clients may access, to better communicate program rules and to ensure that programs work collectively to increase opportunity for individuals. The government is currently working with its partners in the poverty reduction community to develop the scope of the social assistance review, which will be announced in 2010.

Person-Centred Review

We will review our programs with a person-centred approach to give us an improved understanding of how to better align our programs so they address the issues of those they are designed to help.

Social Policy Institute

The government has initiated discussions on the idea of this institute with experts and other interested parties, and we are currently looking at best practices from around the world on how to develop this initiative further.

Social Procurement

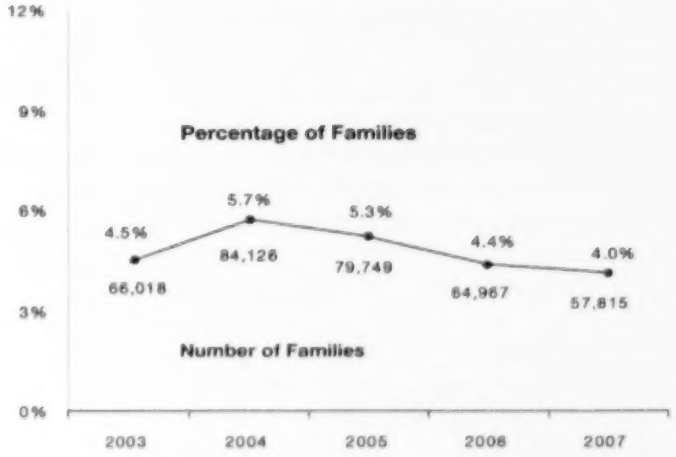
Social procurement, which supports social enterprises in competing for government contracts, will be an integral part of the government's Sustainable Procurement Strategy. In 2010, the government will increase the social and economic benefits that can be achieved through public procurement opportunities, and ensure the government is

Measuring Our Progress

Indicator 8: Ontario Housing Measure

Children have better chances to thrive and grow – emotionally, mentally and academically – when they live in safe, stable housing. This measure tells us how many low-income families with children have housing costs that are disproportionate to family income, a factor that can affect children's ability to thrive and grow in a supportive environment.

The new Ontario Housing Measure lays out the percentage of families with children under 18 with incomes below 40 per cent of the median family income (LIM40) who pay more than 40 per cent of their income on housing.



leading by example and serving as a model for Ontario's broader public sector and consumer markets.

Feasibility Study on Social Investment Exchange

Led by the Ontario Association of Food Banks (OAFB), the Social Venture Exchange (formerly the Social Investment Exchange) is currently being developed. SiG@MaRS is funding a co-ordinator and has engaged policy students from the University of Toronto to work with the OAFB and the Toronto Stock Exchange (TSX) on this innovative idea.

Explore the Community Interest Corporation Model

SiG@MaRS has also begun an exploration of innovative legal structures that would encourage social enterprises. SiG will release a white paper on this issue in the coming months and has also worked on of the certification of Canada's first B Corporation – BetterTheWorld.com, a new initiative in the United States that SiG has helped bring to Ontario.

3. MOVING FORWARD

CONTINUING OUR PROGRESS

Our accomplishments in 2009 have been considerable. And we look forward to moving the poverty reduction agenda forward in 2010 as we embark on a series of integrated initiatives that will do more to meet the needs of low-income Ontarians in gaining access to health services, affordable housing, employment, effective social assistance programs and a responsive education system. We recognize that the current economic climate is hard on many Ontarians. The economic slowdown has proven challenging and threatens to frustrate our efforts to move forward rapidly. However, 2010 will see us further strengthening our work as a community of communities, and bringing together all federal, provincial, regional, municipal and community partners in a shared commitment to realize the vision of Ontario's Poverty Reduction Strategy.

Poverty Reduction Legislation

Breaking the cycle of poverty is going to take a sustained, long-term commitment. That's why the government brought in legislation – the Poverty Reduction Act – that will ensure that Ontario remains focused on tackling poverty, even after the current five-year strategy is complete. The legislation, which passed with unanimous consent from all parties in May 2009, will require successive governments to:

- report annually on their initiatives to reduce poverty and on key indicators of opportunity such as income levels, education, health and housing
- develop a new poverty reduction strategy at least every five years
- set a specific poverty reduction target at least every five years
- consult before developing these strategies, including consultation with those living in poverty.

Results Table

As promised in *Breaking the Cycle*, the government has established a Results Table to monitor implementation of the Poverty Reduction Strategy. Chaired by Minister of Children and Youth Services Laurel Broten, this table is made up of Cabinet Ministers, MPPs and external experts.

The Federal Government

What has been done so far

In our Poverty Reduction Strategy, we indicated that in order to achieve our goals, particularly our goal of reducing child poverty by 25 per cent in five years, we would need the federal government to share our commitment to poverty reduction. We were pleased that the 2009 Federal Budget increased the Working Income Tax Benefit for families from $1,044 to $1,680 annually, and continue to encourage the federal government to double this benefit from the original $1,000 level. We were also pleased that the federal government partnered with our government to deliver the additional $1.2 billion in new housing infrastructure and to extend the Canada-Ontario Affordable Housing Program for 2 years. This funding, combined with economic stimulus funding, will result in 1.2 billion dollars in new housing infrastructure that will create 4,500 new units of affordable housing and repair 50,000 units of social housing.

Areas where more support is needed

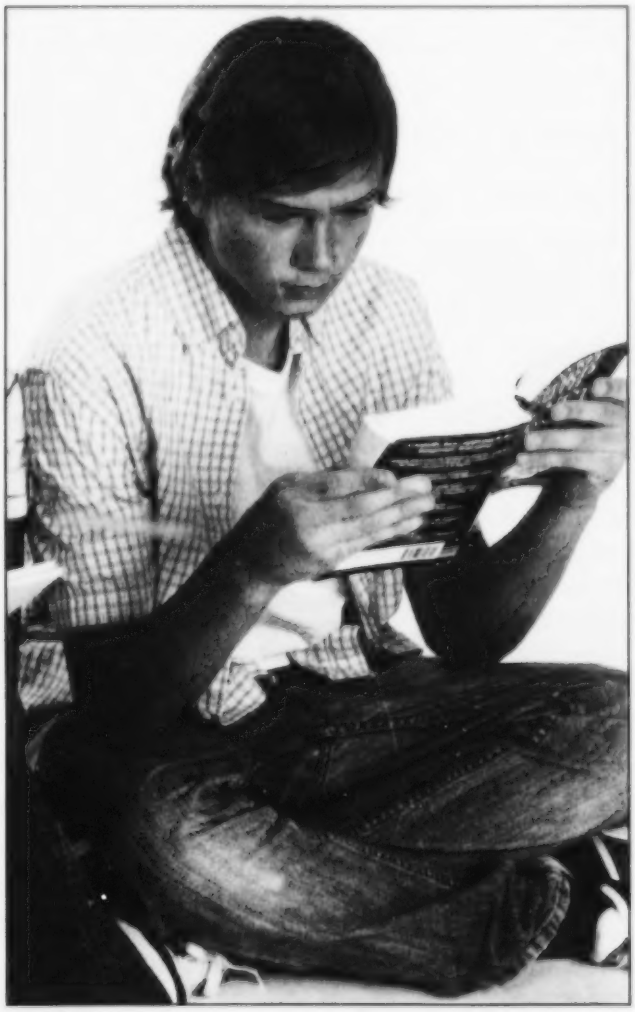
Ontario's economy has been hard hit by the global economic recession. Ontario currently accounts for half of Canada's long-term unemployed. Despite recent program changes, Ontario's concerns about the Employment

Insurance (EI) program remain. In 2008, almost 70 per cent of unemployed Ontarians did not receive EI total regular benefits, primarily because the program is not designed to meet the changing needs of Ontario's labour force.

In these times of global economic challenges, Ontario calls on the federal government to ensure Ontarians have equitable access to the EI program. The federal government should also review and change the current EI funding formula for training programs to reflect current labour market conditions.

We continue to call on the federal government to:

- increase the National Child Benefit Supplement by $1,200



- renew the Early Learning and Child Care Agreement
- close the gap in quality of life between Aboriginal peoples and other Canadians, and establish equality education funding for students on-reserve.

Conclusion: Realizing the Vision

Ontario's Poverty Reduction Strategy is a long-term plan and a realistic one. Much has been accomplished during 2009 and much hard work remains.

We are well aware that the economic downturn of 2008-09 in Ontario and around the world presents serious challenges to moving our key poverty indicators forward in year two, and many difficult decisions lie ahead. During tough economic times, Ontarians rely more than ever on public services and social assistance. We will focus on those key priorities most important to Ontarians, and aggressively pursue strategies in 2010 to support low-income families during this time, while continuing our progress toward Ontario's vision for poverty reduction.

Reducing poverty is everybody's business. It's the right thing to do and it's the smart thing to do for Ontario's economy. We encourage communities, organizations and individuals to get involved in 2010 and make a difference, whether that means helping one person learn to read or changing an entire community for the better.

We acknowledge the valuable work that has been done in 2009 and the commitment Ontarians have demonstrated to building a province in which everyone has the opportunity to learn, grow, thrive and contribute.